

PROTECTING OUR PLANET, SUPPORTING OUR COMMUNITIES, SUSTAINING OUR BUSINESS

Dear friends,

Every now and then, someone asks me if it's even possible for a global business like ours—one that's welcomed by people in more than 200 countries—to grow in a more sustainable way. And my answer is always an emphatic “yes.”

I'm convinced it is the only way we can sustainably grow.

Today, as nations, businesses and institutions all over the world seek the formula for growth, a large part of the solution lies in sustainability-driven innovations.

I was blessed to learn at an early age that everyone has a role to play in making the world a better place and passing along a healthier planet to the next generation. And one of the great things about working in our business is being able to connect with people all around the world and inspire them, in our own small way, to make a difference. To me, that's part of the beauty and specialness of Coca-Cola, and its meaningful way of creating sustainable communities.

As you review this report of our progress, I hope and trust that you'll get a very clear picture of that specialness, which has defined our Company and our brands for more than 125 years.

At The Coca-Cola Company, we believe the most profound and impactful innovations over the next decade and beyond will emerge at the intersection of sustainability and our vast global value chain—the suppliers, retailers, technologies, people and infrastructure that bring our beverages to market every day around the world.

For this reason, as you'll see in this report, we're working to embed sustainability-minded innovations into every aspect of our business, from sourcing ingredients to increasing beverage options to aspiring to be water neutral and recovering packages for recycling.

As we pursue our 2020 Vision for growth—a system wide plan to double the size of our business over the course of this decade—we're intensifying our efforts across the sustainability spectrum.

We've laid out ambitious, but achievable, goals to grow our business. We're committed to creating value for every stakeholder we touch while improving the quality of life for people around the globe and helping preserve the extraordinary natural environments of the communities we're so privileged to serve.

With that said, we realize we can't do this alone. And we don't believe for a moment that we have all the answers.

Partners, in this day and age, are an absolute must. The scope and scale of today's challenges demand cooperation across what we like to call the golden triangle of government, business and civil society.

We work with partners every day to enhance the well-being of the people whose lives we touch. These are partners like our producers, who are growing the highest-quality ingredients; our bottlers, who are dedicated to distributing the safest beverages that consumers everywhere can trust; our customers, who are taking our innovations and ensuring consumers have more great-tasting beverage choices from among our growing portfolio; and those in hundreds of

local communities who are helping us provide more than 280 active, healthy living programs around the world.

In addition to supporting the United Nations Global Compact, we're striving to enhance the well-being of the communities we serve by working to empower 5 million women entrepreneurs by 2020. In this effort, called 5by20, we're working with UN Women and numerous government and private sector partners on three continents to bring new resources, tools, ideas and inspiration to women business owners who are part of our Coca-Cola system value chain, which includes The Coca-Cola Company and its bottling partners. We are also strengthening communities through the global partnership we formed in 2011 with the International Federation of Red Cross and Red Crescent Societies. Nearly 100 years ago we began supporting the American Red Cross, and we are honored to help communities in their most trying times.

Our Coca-Cola system is also working with partners to steward and replenish the natural resources upon which we and our communities depend. Since 2005, as part of our efforts to become water neutral by 2020, we've conducted 382 community water projects in 94 countries, working hand in hand with local governments and partners including World Wildlife Fund (WWF), the United States Agency for International Development, The Nature Conservancy and CARE. We also have distributed more than 10 billion fully recyclable PlantBottle™ packages across 24 countries, eliminating the need for the equivalent of more than 200,000 barrels of oil since the debut of this innovative plastic bottle in 2009. While licensing the current technology to the H.J. Heinz Company (Heinz), we're also working with The Ford Motor Company, Nike, Inc., The Procter and Gamble Company and Heinz to help drive a commercially scalable, 100 percent plant-based plastic—the next step in our PlantBottle packaging journey. Over the past decade, we've invested more than \$60 million in the development of highly efficient, HFC-free, more climate friendly, cooling technologies, including, most recently, solar-powered coolers in places such as rural India.

One of the most powerful and valuable assets we have is the global recognition and love of our brands, led by Coca-Cola® and 14 other billion-dollar brands. As such, we have an opportunity—and a responsibility—to act as a catalyst for positive change around the world.

This, to me, takes sustainability to another level, one with the power to go well beyond what we could do directly as a business system, even in tandem with all our wonderful partners. By taking a leadership position on sustainability, we're able to inspire others to act as well, from customers and other partners to the people who make our beverages part of their lives.

Inspiring others was one of the main reasons we teamed up with WWF on the Arctic Home program, which launched in North America in October 2011 as the largest cause-related marketing campaign in our Company's history. Together, we invited fans of our brands to join us in raising awareness and funds to help protect the polar bear and its habitat. Arctic Home resonated well beyond its launch, and I received letters of encouragement and thanks from people as far away as Equatorial Africa and South Asia.

Although we have these great stories to share today, our journey is far from complete. The truth is, it will never be complete. But with an unyielding determination, a restless culture of innovation, and continued work with many powerful partners, it's our hope that The Coca-Cola

Company can continue to be a strong and enduring force for progressive growth and positive change for generations to come.

Very best regards,
Muhtar Kent

Chairman of the Board and Chief Executive Officer
The Coca-Cola Company

❖ ENVIRONMENT

The Coca-Cola Company has provided products to over 200 nations for 126 years. As a company, we view sustainable development as a prerequisite in respect of our partners. We have made doing the right thing for our employees, consumers, communities, and our planet, our top priority.

We believe that wherever we are in the world, the measures we have taken and the investments we have made have been done so as efficiently as possible to preserve our planet and its natural resources and that this is important to the health and prosperity of community.

Applying effective environmental management from manufacturing to distribution allows for avoidance of problems, or their facilitated resolution. We constantly apply innovative approaches to development in order to maintain success in all aspects.

As The Coca-Cola Company, our commitment to preserving our planet is not only good business; it's good citizenship too. We believe our success is only possible through the sustainability of our natural resources that we are all sharing. Effective environmental management, planning and decision-making processes are integral to this approach.

There are effectively four areas in the scope of our environmental sustainability activities:

Water stewardship: This involves efficient water consumption. While contributing to solutions to global water concerns, we are also developing and applying wastewater treatment processes.

Sustainable packaging: We enhance the efficiency of our packaging by reducing raw material usage and encouraging greater and more efficient recycling.

Energy Efficiency and Climate Protection: When renewing production instruments or establishing refrigeration technologies we always consider the least energy consuming and most effective energy management solutions. We additionally plan waste management for the long-term and work to minimize waste generation.

Sustainable Agriculture: We are contributing to the global movement toward more viable agriculture through innovative partnerships and a supply chain that increasingly stresses the need for sustainability.

1. WATER STEWARDSHIP

Clean, accessible water is essential to the health of communities. It is critical to ecosystems and indispensable for economic prosperity. And it is essential for our business. Water is the main ingredient in our beverages, central to our manufacturing process and necessary for growing the agricultural products we use. Of the 9.25 million trillion gallons of water on earth, less than one percent are available to meet the needs of the planet's 7 billion-plus people. And stress on the world's water supplies—from population growth, urbanization, climate change and more—is increasing. Preserving and effectively managing the world's available freshwater—achieving what policymakers call water security—may be humanity's most crucial task.

Unlike most other global companies, we have a special interest in protecting the local water sources that sustain communities because the communities that host our bottling plants are also our consumer base—we sell our products where we make them. If those communities stay strong, our business will stay strong. So in addition to the ecological and ethical imperatives that drive our water stewardship, we also have a vested business interest in preserving and improving local water sources.

Our global system is becoming more efficient in its water use by reducing the amount it uses per liter of product produced, even as production volumes increase. We are recycling wastewater, sometimes returning it to nature cleaner than required by law. And our system is replenishing, or balancing, the water used in our finished beverages—an estimated 35 percent so far, with an ultimate goal of being water neutral by 2020 through projects intended, among other things, to protect or conserve water resources or to bring safe drinking water or sanitation to people in the communities we serve.

Reduce, Recycle, Replenish!

In June of 2007, The Coca-Cola Company announced an ambitious pledge to “replace every drop of water used in production through our global water management framework.” We asserted that, “We are going to return water used, back to the community”.

We hope to achieve our promise in three ways: reduce, recycle and replenish.

Reduce: Improve water efficiency by 25% through operational improvements throughout the Coca-Cola system, based on 2010 water efficiency levels.

Recycle: Water used during production will be completely returned to the environment such that it may fully sustain the aquatic fish life and agriculture. At Coca-Cola, we already have water treatment standards that are more stringent than many local standards.

Replenish: Our commitment to replenish means that on a global basis we will give back by supporting healthy watersheds and sustainable water community programs to balance water used in our products. Various projects planned under this framework include watershed protection, efficient water use in agriculture, clean accessible community water, rainwater harvesting, and reforestation.

For The Coca-Cola Company, these initiatives mean years of dedicated work on a continuing journey. We have taken the first step, and will do so with the same decisiveness on the many to follow.

To date, we have made significant progress in our water stewardship. Some highlights include:

- ⌚ Require each of our nearly 900 system-wide plants to assess the vulnerabilities of the quality and quantity of water sources and implement a locally relevant water resource sustainability program by the end of 2012 (91% to date).
- ⌚ Improved our water-use efficiency by 25 percent by 2020 (compared to a 2010 baseline) by limiting and replacing water use in our operations where possible (achieved 5.9% from 2010-2012, 21.4% from 2004-2012).
- ⌚ Return to the environment – at a level that supports aquatic life – the water we use in our system operations.
- ⌚ Replenished approximately 52% of the water we used as a system in communities and nature by 2012 through the support of 468 healthy watersheds and community water programs in nearly 100 countries.
- ⌚ Played a leadership role in connecting businesses, society, and governments to inform and influence water security policies and frameworks on the global stage through the creation of the 2030 Water Resources Group and the United Nations CEO Water Mandate.

Water Consumption in Turkey

Coca-Cola Turkey takes its place as one of the most efficient countries in terms of water consumption within the Coca-Cola system.

While the average rate of water consumption in the Coca-Cola system was 2.16 per liter of product in 2011, the figure was 1.42 in Turkey.

Coca-Cola Turkey, along with its bottling partner, is highly focused on the amount and recycling of water used in production.

In 2011, we reclaimed 273,784 m³ of water as a result of numerous projects in our Ankara, Çorlu, Mersin, and Adana plants.

We reclaimed a total of 56,338 m³ of water by recycling the water used for direct washing of carbon tanks and rinsing water in the Ankara plant.

We achieved a savings of 35,000 m³ of water by recycling water through the reverse osmosis project in the Izmir plant.

We reclaimed an annual total of 1,500 m³ of water in the Izmir plant with the Rain Water Harvesting Project.

SUPPORT FOR ENVIRONMENTAL PROJECTS

"Life Plus" Environment Program

"Life Plus" Environment Program has been conducted through a partnership between the Coca-Cola Life Plus Foundation, UNDP, Nature Conservation Center and the Ministry of Agriculture. Program focuses on protection of water resources and sustainable management of land and water.

Turkey's geographical location, climate, topography and soil conditions, together with the country's socio-economic characteristics, indicate that two-thirds of Turkey is considered arid and suffers from water shortages. As a result, Turkey is highly sensitive to desertification and drought. The Konya district, home of 1 million farmer families, is in a particularly vulnerable position, evident by its depiction as 'very highly sensitive and highly sensitive' on the "World Desertification Risk Map". As for our project area, Karapınar, which is located in Konya, the problem becomes even more acute since it displays a unique situation having the driest climate of the country with the lowest precipitation, and thus being most affected by aridity and desertification.

With a view to putting this internationally acclaimed approach into practice in Turkey, this project aims to introduce ecosystem approach - a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way - in the proposed project area, Karapınar, where land rehabilitation, biodiversity and climate-friendly agriculture practices will be implemented through sustainable land/water use and management.

Four Seasons Water to Gölcihan / Life Plus Environment Program

As one of the most important wetlands of Adana, Gölcihan Lake has dried out due to increased evaporation and decreasing water resources that feed the lake. The project targeted to render Gölcihan Lake a wetland again with the use of the river corridor method which enabled water entry to the lake from water resources surrounding the lake and restore its ecological characteristics.

Under the project regular water flow was provided to the lake with a connective duct to be opened between Ceyhan River and Gölcihan Lake. In this manner, a new source of water was created for the region and farmers engaged in agricultural activities in the surrounding area of the lake had access to the water they need to irrigate their lands. With the opening of the duct new fish species entered the lake contributing to increased income for those engaged in fishing. Furthermore the biological diversity of the lake has been enriched.

With the participation of municipalities, NGOs, and local communities stakeholder meetings were held. In addition to that, Lake Management Plan was prepared in order to achieve sustainable use of water resources in the area.

Project has provided 687,5 million liters water to the lake and it contributed 577,5 million liters to our replenishment target, which is approximately 15% of total target.

Living Rivers Living Aegean Project

Büyük Menderes is one of the 25 river basins of Turkey and %74 of its water resources are used in agricultural practices. Water contamination resulting from agricultural, industrial and domestic wastes is threatening the 2.5 million residents of the basin and the ecological values of the area.

Living Rivers Living Aegean project is initiated to sustain the water resources of Büyük Menderes in terms of quality and quantity to meet the needs of residents and the ecosystem, as well as contributing to the efforts of decreasing the negative effects placed on the water reserves.

The project is brought to life through the active collaborations of the Coca-Cola Life Plus Foundation, WWF-Turkey, the YADA Foundation the Aegean Association, EKODOSD Association and all the parties that use and manage water resources in the basin. The project focuses on the adoption of Integrated Basin Management approach by stakeholders and rendering of this approach as the main principle of water policies.

- Basin Atlas: interviews with 80 families and 60 institutions
- First biological monitoring has been conducted in a river basin in Turkey

2. **SUSTAINABLE PACKAGING AND RECYCLING**

There is indeed a story in every one of our bottles—and in our cans and other packages, too. It is the story of increasing efficiency. Innovation. A passion to promote recycling and renewable materials. And a global vision over the long-term of zero waste. We are advancing that vision by:

- 🕒 Designing consumer-preferred, resource-efficient packaging
- 🕒 Eliminating landfill waste
- 🕒 Using recycled and/or renewable materials

Our product packages help ensure the quality of our products and safe delivery of refreshment for billions of people around the world every single day. Since 85 percent of our unit case volume is delivered in recyclable bottles and cans, those packages are where our innovation can make the biggest difference—and that is where we are focusing most of our efforts. As we strive to improve our packaging, we balance environmental concerns with our need to protect product quality and manufacturing as well as our need to transport products economically. Our approach is increasingly informed by an understanding of particular packaging needs in different locations around the world and by the impacts of various packages over their entire lifecycle.

Packaging in Turkey

We renewed the Damla Spring Water package in 2011. The new packaging brings together a slew of advantages in terms of material and energy savings with a 29.5% lighter structure, short neck production and high storage resistance. Our packaging helps us stock our products to the highest level possible, and high quality and reduced weight have not changed this feature.

As a result of the design change, the weight of the 500 ml package was lowered from 14.9 g to 10.5 gr, the lightest weight used in the Coca-Cola System in Turkey and around the world. After the design change, we expect to achieve an annual raw material (resin) savings of 1,658 tons. While keeping in mind that 1,200 kWh energy is used per ton of raw material production, we will achieve an annual savings of 1,989,600 kWh energy. This will result in the prevention of 960 tons of CO2 emissions, which equals a savings of approximately 9,500 trees.

In 2011, we continued the 'Ultra Bottle' project which was initiated in 2010 with the purpose of reducing the consumption of glass materials, and achieved a total savings of 1,359 tons of glass in our Turkey operations. We then implemented the project in Jordan and Pakistan and saved a total of 3,281 tons of glass and prevented approximately 5,250 tons of CO2 gas emissions.

Solid waste management in Turkey

In Turkey, inventory is taken of materials and waste at all production facilities and sorted in order that solid waste percentage is reduced to an absolute minimum. Waste is divided into paper, plastic, glass, metal and wood and delivered to recycling facilities.

Packaging waste management is a key component to our performance in general waste. Therefore, we help authorized business partners to collect packaging waste that belongs to our products consumed in markets with sustainable recycling mechanisms. For this purpose, Çevko Foundation -we are among its founding members and we collaborate at our Turkey operation- ensures reuse of packaging waste by collecting and recycling. During the reporting period, the packaging waste recycling rate was 38% at our Turkey operations.

3. ENERGY EFFICIENCY AND CLIMATE PROTECTION

Climate change is one of the most critical challenges facing our planet. The consensus on climate science is increasingly unequivocal: Global climate change is happening and human-caused greenhouse gas emissions are a crucial factor. The implications of climate change for our planet are profound and wide-ranging, with potential impacts on biodiversity, water resources, public health and agriculture. The potential effects of climate change on people, communities and ecosystems are sobering to consider and demand immediate action. Beyond the effects on the communities we serve, climate change could also have direct and indirect effects on our business. By harming global agriculture, changing weather patterns could limit the supply or increase the cost of ingredients we use in our products. Extreme weather could impair our bottling plants, disrupt our supply chain and affect consumer demand. Perhaps most seriously, climate change could seriously limit water resources for our operations, for our supply chain and for the communities we serve. That is why we believe reducing our system's emissions and adapting to climate realities are crucial—for our business and for a sustainable future.

Like most challenges, the climate crisis also presents opportunities. The imperative to reduce greenhouse gas emissions compels us to do business smarter—to work "leaner and greener." It gives us opportunities to lead. And it invites us to collaborate—to work toward a common goal with people from all sectors of society in developing solutions that are sustainable.

In 2011, we continued working toward our goals of reducing greenhouse gas-related impacts from our operations and increasing energy efficiency. We experienced setbacks in some areas, achieved encouraging progress in others and continued to engage with others in addressing this pressing global issue.

PHASING OUT HYDROFLUOROCARBONS

Hydrofluorocarbons, or HFCs, are powerful greenhouse gases hundreds of times more potent than CO². While they currently have a relatively small impact on global warming, HFC emissions are expected to represent 9 to 19 percent of projected greenhouse gas emissions by 2050. Historically, much of the refrigeration equipment we and other companies rely on has used HFC-based cooling systems. With more than 10.5 million dispensers, vending machines and coolers in the marketplace, we have an enormous opportunity to help reduce HFC use and related potential emissions. Our goal is to phase out the use of HFCs in all new cold-drink equipment by 2015. Toward that end, approximately 24 percent (266,600 units) of our 2011 cold-drink equipment purchases were HFC-free. The total number of HFC-free deployments across our system exceeded 540,000 at year end.

In 2011, we adopted CO² as our system's HFC-free refrigerant of choice for new equipment purchases. To support this new procurement direction, our Company signed a CO² compressor supply contract with Sanden Japan that commits us to purchasing 1.1 million CO² compressors. By phasing out HFCs, we expect to avoid the emission of more than 52.5 million metric tons of carbon dioxide equivalent over the life of our equipment fleet.

Ongoing projects in Turkey

Despite continual increase in production volume in Turkey, the implementation of various projects and improving of facility processes continues to see energy consumption decreasing year by year.

In 2011, the Coca-Cola system reported average energy consumption of 0.44 MJ/L, while the facilities in Turkey ran at 0.25 MJ/L.

More efficient energy consumption

A series of studies are ongoing at the plants in Turkey:

- Heat loss reduction in the lines

- Renewal of warehouse and production area roofing to accommodate more natural light and reduce energy spent on lighting
- Installation of Photo Voltaic Cells for the lighting of production lines and offices
- Preventing loss of heat by insulating exterior of bottle washer

CERTIFICATES AND AWARDS RECEIVED BY PLANTS IN TURKEY

- Quality Management System Certification ISO 9001:2000
- Environmental Management System Certification TS EN ISO 14001
- HACCP Management System Certification TS EN ISO 13001
- OHSAS Management System Certification TS EN ISO 18001
- WWF Water Savers Project, Letter of Recognition

4. SUSTAINABLE AGRICULTURE

Inside almost all of our products is the story of a farm somewhere in the world. As a general business practice, we do not own or operate farms, and we buy only a small percentage of our ingredients directly from farmers. But through our global suppliers, our system buys millions of tons of fresh fruit, corn, tea, sugar, coffee and other ingredients every year. The future of our business depends on a reliable long-term supply of those ingredients.

At the same time, the futures of farming families and ecosystems around the world depend on crops being grown more sustainably. Agriculture is the world's largest industry, employing more than 1 billion people and generating more than \$1 trillion US of food annually. In the report, *Realizing a New Vision for Agriculture: A roadmap for stakeholders*, the World Economic Forum and McKinsey & Company estimate that up to 30 percent of greenhouse gas emissions are attributable to agriculture, counting all related impacts, including deforestation. The report also indicates that agriculture accounts for 70 percent of worldwide water withdrawals.

Our global system and vast supply chain provide many opportunities to improve agricultural sustainability, and our purchasing power and long-standing relationships with suppliers and processors give us an influential voice. We are contributing to the global movement toward more viable agriculture through innovative partnerships and a supply chain that increasingly stresses the need for sustainability. We believe that with the wide-scale adoption of better management practices, agricultural production can help preserve and restore critical habitats, protect watersheds and improve soil and water quality, all while meeting the needs of society.

A matter of balance

Our approach to sustainable agriculture is founded on principles to protect the environment, uphold workplace rights and help build more sustainable communities. We seek to mitigate business risk by addressing challenges to the availability, quality and safety of agricultural ingredients; to meet consumer demand for products that align with a healthy and sustainable lifestyle; and to balance the costs of sustainability by leveraging relationships and initiating new opportunities as they make sense.

To support more sustainable agricultural practices, we are:

- incorporating sustainable agricultural criteria into our long-term ingredient sourcing plans;
- working with partners and suppliers to improve livelihoods through efforts to increase crop yields and reduce production costs; and
- helping farmers to improve agricultural practices and reduce environmental impacts, such as minimizing the use of pesticides and optimizing fertilizer applications.

We are carrying out our strategy by working with key partners to identify risks and opportunities; fostering innovation through pilot projects in key regions; and making use of validation mechanisms—including certification in some cases—to verify that we are meeting our sustainability criteria. We have adopted a holistic view and are working with our suppliers to help develop and encourage more sustainable agricultural practices.

Setting priorities, assessing risks and opportunities

In 2012 we began a comprehensive baseline assessment to better understand supply and demand as well as risks and opportunities for the top 10 agricultural commodities on which our products and growth strategy depend. This assessment will lay the foundation for our agricultural commodity strategy going forward. We are partnering with key suppliers to establish baselines and influence producers to improve the sustainability of crop production, focusing our initial efforts on sugarcane, oranges and forestry.

❖ HUMAN AND WORKPLACE RIGHTS

An essential ingredient in every one of our products is our profound commitment to human rights and workplace rights. Respecting human rights and protecting workplace rights is

fundamental to our culture and imperative for a sustainable business. In our Company and across our system, we are working to make sure all people are treated with dignity and respect.

We consider human and workplace rights—as articulated in the United Nations Universal Declaration of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work—to be inviolable. We take a proactive approach to respecting these rights in every workplace of The Coca-Cola Company, in our bottling system, in our supply chain and in the communities in which we operate.

The foundation of our approach lies in three key documents: Our Human Rights Statement, our Workplace Rights Policy and our Supplier Guiding Principles. All three are influenced by the United Nations (UN) and International Labour Organization (ILO) declarations. Together, they describe our high standards and expectations, addressing such subjects as child labor, forced labor, freedom of association, discrimination, health and safety, hours of work and the 30 articles contained in the Universal Declaration of Human Rights. Our Human Rights Statement, our Workplace Rights Policy apply to all entities in which The Coca-Cola Company owns a majority interest (unless otherwise agreed). Many of our larger bottling partners have their own human rights policies.

In recent years, we have more clearly defined what we stand for with respect to human and workplace rights. We have also begun the complex work of ensuring that our entire business system and supply chain align with our policies. We expect our Company, our bottling partners and our suppliers to avoid causing, or contributing to, adverse human rights impacts as a result of business actions and to address such impacts when they occur. Furthermore, our Company, bottling partners and suppliers are also responsible for preventing or mitigating adverse human rights impacts directly linked to their operations, products or services by their business relationships.

To meet these expectations, our Company, bottling partners and suppliers are incorporating processes for identifying, preventing and mitigating their impacts on human rights. Additionally, all are required to implement a process for remediation of any adverse human rights impacts they cause or contribute to. Our efforts to promote respect for human rights across the Coca-Cola system and throughout our supply chain are being recognized. In January 2011, Calvert Investments, Inc., announced that we met its “environmental, social and governance criteria as a result of clear progress in labor and human rights.”

IMPLEMENTING THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

Since 2005, we have worked to support the mandate of Professor John Ruggie, the former UN Special Representative for Business and Human Rights, in developing guiding principles for implementing his “Protect, Respect and Remedy” framework for respecting human rights in a business context. In May 2011, we formally endorsed the draft UN Guiding Principles on Business and Human Rights, which the UN Human Rights Council adopted in June 2011 (read the news release)—providing for the first time a global standard for addressing the risk of adverse impacts on human rights linked to business activity. These Guiding Principles are now a key touchstone for our policies and programs related to workplace and human rights.

According to the UN Guiding Principles, implementing respect for human rights in a corporate context has three primary components:

- ⌚ A policy commitment to meet the responsibility to respect human rights;
- ⌚ A due diligence process to identify, prevent, mitigate and be accountable for human rights abuses; and
- ⌚ Processes to enable the remediation of any adverse human rights impacts the Company causes or to which it contributes.

Among the many steps we have taken to implement the UN Guiding Principles is an analysis of potential and actual human rights impacts across our entire value chain, from raw materials to end use. We have identified human rights risks along with policies and actions for mitigating them. In addition, we have developed five human rights–related due diligence checklists for managers across our Company, along with instructions for using them. The easy-to-use, two-page checklists cover such topics as migrant labor, child labor, plant siting and more. They offer clear steps our managers can take immediately to move beyond compliance with our policies to an ongoing respect for human and workplace rights that is inseparable from our daily operations.

Another way we are implementing the UN Guiding Principles is through the 25 “Good Practices” we are encouraging bottlers and suppliers to adopt. These practices enable bottlers and suppliers to move beyond compliance to a sustainable, integrated, systematic respect for human rights and workplace rights.

Our support of the UN Guiding Principles builds on our work as a participant of the UN Global Compact and member of the Global Business Initiative on Human Rights (and its predecessor, the Business Leaders Initiative on Human Rights). Our work in those partnerships continues. In

January 2011, we joined 17 companies in launching the Global Compact LEAD program, which challenges Compact members to achieve a blueprint for sustainable corporate responsibility.

ENSURING ETHICAL ENGAGEMENT OF CONTRACT LABOR

Like many companies, our Company and bottling partners employ contract and agency labor. We believe there are many legitimate uses of contract labor, and we expect contract workers, through third-party providers, to continue to play an important role in our business. Through enhancements to our Supplier Guiding Principles assessments (please see above), our Company is holding more contract and agency labor suppliers accountable for the ethical treatment of these workers.

Our commitment to human and workplace rights, as well as our commitment to operating a sustainable business, compels us to respect the rights of all workers, including those not directly employed by our Company or bottling partners. What is more, improper treatment of contract laborers would put our business at risk of lawsuits, action by regulatory agencies and damage to our reputation. So, we are working with our business units and our bottling partners to develop a proactive, holistic approach to managing contract labor that protects workers and our Company by addressing critical issues at each phase of a contract worker's engagement with us—from our initial decision to use contract labor through the end of the relationship with labor suppliers or specific workers. We expect our personnel and our bottling partners to understand the risks associated with contract labor and to carefully manage the labor agencies engaged. We also expect them to provide training, a safe work environment and to avoid using termination practices that circumvent legal obligations.

We take a number of steps to ensure responsible engagement of the contract and agency workers we employ, including:

Our Human Rights Statement, Workplace Rights Policy and Supplier Guiding Principles outline our commitments and expectations for treatment of all workers. Any allegation of worker abuse—including abuse of contract laborers—is a very serious issue that we fully investigate.

We conduct continuous assessments of our operations and of key authorized contract labor suppliers to ensure the responsible treatment of contract laborers.

We engage with key stakeholders to understand their perspective regarding potential abuse of contract workers. The subject of contract and agency labor is a standing agenda item for our semiannual meetings with the IUF. Through these meetings, we have successfully addressed a number of concerns regarding contract workers in India, Pakistan and the Philippines.

We provide our largest bottling partners with contract labor risk-mitigation checklists and other tools to help them manage contract labor appropriately.

Progress on hours of work

Compliance with local work-hours and overtime laws is a fundamental component of our Workplace Rights Policy and Supplier Guiding Principles. We have provided guidance on this issue to bottlers and suppliers and helped them develop best practices for managing hours of work. Their improvement is reflected in the increasing numbers of Company, system and supplier facilities that have achieved compliance with our Supplier Guiding Principles.

During the second half of 2012, we are working with bottlers and suppliers in South Korea to address extensive noncompliance with our hours-of-work policies. We are developing a unique approach using third-party Operational Excellence resources to better identify and correct the root causes of hours-of-work violations. We hope to apply the tools we develop in this process in managing hours-of-work issues systemwide.

SUSTAINABLE MANAGEMENT, MORE PROMISING FUTURE

Although we have these great stories to share today, our journey is far from complete. The truth is, it will never be complete. But with an unyielding determination, a restless culture of innovation, and continued work with many powerful partners, it's our hope that The Coca-Cola Company can continue to be a strong and enduring force for progressive growth and positive change for generations to come.

Legend:

- ① The Coca-Cola Company: Is Atlanta based The Coca-Cola Company.
- ② Coca-Cola Turkey: The Coca-Cola Company is a shareholder of Coca-Cola Turkey.
- ③ Coca-Cola System: Denotes The Coca-Cola Company and its Bottling partners